

MEDIA RELEASE

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Urban Taskforce agrees with PC: default to “yes” on housing supply

Acting Urban Taskforce Australia CEO, Paul Waterhouse, says that the Productivity Commission has struck the right note on housing supply in telling regulators to “default to ‘yes’”.

Commission Chair Danielle Wood has written that it “boggles [her] mind” that government rules are stopping new homes in the areas where people want to live and work.

In the *Interim Report on Housing Supply Regulation*, the Commission says that it's becoming harder to afford a home, largely because dwellings are not being delivered in the right places.

This should come as no surprise. Affordability requires more new housing supply.

Increasing red / green tape; taxes, fees, and charges; planning restrictions; and local activism are all combining to prevent the delivery of new housing by making projects increasingly unfeasible.

A pervasive “computer says no” attitude towards new housing, often encouraged by local NIMBYs and their anti-housing viewpoints, is getting in the way of new projects and reducing housing affordability.

Writing about the report in the *Daily Telegraph*, the Commissioner said that sensible rules to ensure good outcomes are exceeding their purpose:

“What we have instead is a spaghetti bowl of rules and requirements that stop people from being able to build anything and often do little to solve genuine problems with new development.”

This has long been a problem – consent authorities step in to frustrate development with rules and red tape, without any apparent concern about their impacts on house prices and affordability.

The result? Supply is constrained, prices increase, feasibility is undermined, and the affordability crisis cycle continues.

In response to such hurdles, the Commission wants to see a ‘build mindset’ amongst regulators, only stepping in where the benefits clearly outweigh the costs and where there are clear market failures.

In other words, let the industry do its thing and deliver housing supply.

The report highlights the need to coordinate with infrastructure delivery to support new housing. If developers are going to pay towards infrastructure – it says – then it should only be where there is a clear link between the infrastructure and the development itself. I.e., not for unrelated pet projects.

ABS data from recent months has shown that the NSW and Federal Governments are significantly underperforming when it comes to approvals and commencements, making it less and less likely that the National Housing Accord Targets will be met.

Urban Taskforce expects that the next results – out later this week – will show further declines in approvals, as a result of the ongoing economic impacts of rate rises and international conflict.

It is increasingly becoming harder to build.

Now the Productivity Commission is confirming what industry has long known – that land use controls and anti-development attitudes are stopping or limiting housing projects and that *“slow and complex approvals delay new housing and make some developments unviable”*.

The NSW Government has sought to improve the planning system, and its efforts to date should be lauded, but more needs to be done to remove the barriers to new housing supply and to streamline and simplify the approvals process.

The Commission's recommendations make sense, including:

- allowing 3-storey developments on most residential land;
- allowing mid-rise or high-rise in high demand areas;
- removing minimum lot size requirements;
- allowing residential development in commercial zones;
- reviewing, reducing, and removing certain land-use controls – off-street parking requirements, heritage protections, local character restrictions;
- relaxing or removing controls that limit flexibility and choice – FSRs, housing types, minimum dwelling sizes;
- coordinating strategic planning for infrastructure to support housing delivery;
- expanding the use of fast-track and state-significant pathways; and
- improving housing approval assessments.

Perhaps one of the most important recommendations was for the Federal Government to take a more direct role in delivering housing supply, particularly with infrastructure development, financial assistance, and underwriting risks. Urban Taskforce has long called for this.

Like the Productivity Commission, Urban Taskforce believes that it is time for governments to take their foot off the brake, hit the accelerator, and allow for more housing supply.

Get on board or get out of the way and let industry deliver the housing supply that is desperately needed.

End

*The comments and analysis above can be attributed to **Paul Waterhouse**, Acting CEO, Urban Taskforce.*

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